

From: [Wester Barbara](#)
To: [Swenson Peter](#)
Subject: FW: Aquila Resources and the Menominee River
Date: Friday, October 07, 2016 12:13:14 PM
Attachments: [dnr letter to quigley.pdf](#)

[peter](#) – the email i mentioned yesterday.

From: McKim, Krista
Sent: Wednesday, October 05, 2016 2:30 PM
To: Wester, Barbara <wester.barbara@epa.gov>
Subject: FW: Aquila Resources and the Menominee River

I've been getting a lot of input in the last few days regarding the Back 40 proposal. I don't know what to do with it, and this one seems legalish so I'm sending to you FYI.

From: (b)(6)(b)(6)(b)(6)(b)(6)(b)(6)(b)(6)
Sent: Wednesday, October 05, 2016 2:05 PM
To: Clemency, Louise <louise_clemency@fws.gov>; McKim, Krista <mckim.krista@epa.gov>; Lisa Kaulfersch-Fischer <lisa_kaulfersch@fws.gov>
Subject: Fw: Aquila Resources and the Menominee River

Hi Everyone,

Wanted to share some information on Aquila Resources with you. It's lengthy stuff about land and mineral transactions Aquila has been involved. This lengthy information will give you insight into the character of Aquila's business style/method and perhaps on how they would operate this proposed mine.

Also note what appears to be a substantial conflict of interest with the Michigan DNR.

Scary stuff.

Thanks,

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----- Original Message -----

From: (b)(6)
To: (b)(6)(b)(6)
Sent: Wednesday, October 05, 2016 11:57 AM
Subject: Re: Aquila Resources and the Menominee River

To Michigan Governmental Authorities:

I have been involved in this issue from the beginning. I own 400-acres adjacent to the proposed mine site. I have studied and then presented to the US Attorney General's office in Chicago, The FBI in Marquette, The Michigan AG, Tom Caspserson, The Michigan DEQ and DNR. The fact is this project started and raised millions of dollars by placing fraudulent claims against over one hundred thousand acres land, almost 2000-properties, in the UP by claiming and recording documents stating they owned the mineral rights to the these properties. These same persons later went on to form Aquila Resources and were / are on their board of directors. Millions of dollars have been made by selling / leasing to other Canadian companies. This included the first company they some of these to - American copper & Nickel for which they received \$4.9MM and began this project. I have a whole pile of info but the attached letter from the DNR to Aquila states 38,000 acres of mineral rights claimed by these persons weren't owned by these persons by the SOM!

I also have a letter to Aquila they gave to a third party hoping to explore their land stating the claims made

by these persons associated with Aquila are not valid. The DNR uses words like slanderous. Private attorneys have called it fraud and conversion.

Next is a letter to the DNR with Cc. the governor's office. Basically the DNR traded land to a person in the same area as the mine for less than the value of the timber he harvested. This same land owner having received \$11.7MM for 40-acres he sold to Aquila. The DNR know about the sale for \$11.7MM but gave this person 40-acres for less than the value they received for harvesting the trees and when that was done this same person then sold the property the DNR "gave" him for well over \$1MM?

Now the DNR is considering trading SOM land to the same parties that claimed all those mineral rights but really didn't own them? Land that is sacred to the Menominee Indian nation as it contains burial mounds? Certainly the Governor's office realizes to allow such a trade, especially with parties that have a history of fraudulent claims, destroys any trust the people may have in their government as who is getting rich off these deals? Friends and associates of the DEQ and DNR.

DNR Director Bill Moritz
Michigan Department of Natural Resources
Executive Division
Constitution Hall at 525 West Allegan Street
Lansing MI 48909

CC: Governor Rick Snyder
CC: Allison Scot Executive Director to the Governor
CC: Executive Office of Governor Rick Snyder, P.O. Box 30013 Lansing, Michigan 48909

April 4, 2016

RE: Certain Illegal acts perpetrated against the citizens of the SOM and the allowing of these acts by persons within the Michigan DNR?

Director William Moritz:

My name is Tom Boerner. I come to you hoping you will do what is legally, morally and ethically required by a person in your capacity on behalf of the citizens and taxpayers of the State of Michigan.

Due to the Flint crisis, an issue most people believe was caused by the DEQ and the arrogant way in which that department was run, a large portion of the public including many persons from outside Michigan distrust many Michigan governmental agencies. This negative sentiment most assuredly carries over to the DNR, a sister group to the DEQ. It is due in part to that outrage and mistrust that I raise this issue with the DNR at this time. I have taken the liberty of copying Governor Snyder and his Executive Director on this letter so that at some later date I will be able to publicly state; "The Director of the DNR, The Governor and his office were made aware of these issues". The actions of your offices will determine how this matter is perceived by the public. Hopefully it will not be another case of "business as usual" with persons at the SOM not caring about its citizens.

ALLEGATIONS:

It is my opinion, and that of others including several attorneys that have seen this information, that the following issues involve illegal acts perpetrated against the SOM, its citizens and taxpayers. It is my opinion that the DNR allowed and then covered up these acts.

- The DNR continues to have an ongoing relationship with persons and companies the DNR knows illegally claimed mineral rights, publicly stated ownership of those rights, then sold and/or leased those mineral rights for a great deal of money.
- The DNR has admitted knowing these illegal claims included in these sales and/or leases to Michigan shell corporations and then to corporations outside the USA include tens of thousands of acres of mineral rights that in fact are owned by the people of the State of Michigan that are under the stewardship of the DNR.

THE PUBLIC SHOULD KNOW:

1. THE MICHIGAN DNR ALLOWED PERSONS AND COMPANIES TO CLAIM MINERAL RIGHTS THAT THESE PERSONS & COMPANIES DID NOT OWN, INCLUDING TENS OF THOUSAND OF ACRES OF MINERAL INTERESTS THAT ARE IN FACT OWNED BY PEOPLE OF THE STATE OF MICHIGAN, UNDER THE STEWARDSHIP OF THE DNR.

2. THE DNR ALLOWED THESE PERSONS AND COMPANIES TO SELL AND/OR LEASE THESE SAME MINERAL RIGHTS TO CORPORATIONS OUTSIDE THE UNITED STATES FOR MANY MILLIONS OF DOLLARS.

AND

3. AFTER THIS ACT WAS DISCOVERED BY PERSONS OUTSIDE THE DNR; THE DNR ALLOWED THESE PERSONS, WITH WHOM THE DNR HAS / HAD PERSONAL AND BUSINESS RELATIONSHIPS, TO KEEP THE MONIES THEY GAINED FROM THE SALE(S) AND/OR LEASING OF THOSE MINERAL RIGHTS CLAIMS DESPITE THESE RIGHTS BEING OWNED BY OTHERS INCLUDING THE SOM.

IN PART SUBSTANTIATION FOR ALLEGATIONS:

I have considerable documentation and background material related to this issue, too much to introduce to you via this letter. But to prove in part what I write about can be substantiated I offer the following:

In a letter from DNR Director Humphries to me, she stated the Michigan DNR was aware that VMS Development claimed mineral rights they did not own. Director Humphries agreed she knew certain persons and companies had then sold and/or leased mineral rights for many MILLIONS OF DOLLARS despite not owning them. Director Humphries admitted that in just in Menominee County alone 358 parcels (which represents almost 25,000-acres) of mineral rights owned by the SOM were claimed and then sold and/or leased by persons who did not own them.

A subsequent excel spread sheet I obtained via FOIA notes the Michigan AG's office examination in mineral rights claims by these companies in Menominee County. In Menominee County alone 902 parcels of minerals rights representing approximately 52,000 acres were claimed. The Michigan AG office notified the DNR that of these 902 claims 358 parcels are in fact owned by the SOM – which the Michigan DNR is responsible to protect.

These 358 parcels are again noted in a second letter from Director Humphries to me – where she again confirmed mineral rights to those properties did not belong to the companies that claimed to own them but were owned by the SOM. The remaining acreage, approximately 28,000-acres were owned by uninformed private land owners.

Similar claims of mineral rights ownership were made in Marquette, Houghton, Delta, and Dickinson Counties in Michigan and Marinette County in Wisconsin. For reference these claims were made via 1-page documents that contained no legal descriptions and at least in Marquette County that document should be reviewed as it was altered after being notarized to reflect something completely different than what the document had previously stated.

The DNR admits it is fully aware that a portion of the 358 claims made against these SOM lands were then sold and/or leased, then again sold or leased to a series of companies outside the United States for a great deal of money. Through various shifts of names and "backward takeovers" AQUILA RESOURCES came into existence. At present that company states SEVENTY MILLION DOLLARS (\$70,000,000.00) has been raised by them. A company that for many years had little else to sell to investors other than mineral interests they claimed to own. This company has filed for a mining permit with the SOM and has a land transaction on the DNR Directors desk.

Despite all of the above information, the SOM is still dealing with these persons.

While the DNR allowed their friends to profit with illegitimate mineral rights claims the DNR quietly traded land to a Mr. Nick Thoney, a person with a relationship to Aquila Resources, a company made up of many of the same persons who had illegally claimed those mineral rights. The DNR was aware Mr. Thoney had sold a 40-acre parcel for land in the same area where the DNR later swapped land with him for \$11.7MM dollars. The land swapped with Mr. Thoney was for land worth almost nothing.

At present there is another land exchange reportedly on the Director's desk for land that is contiguous to the land the DNR previously traded with Mr. Thoney. This new deal has also not been made public.

A phone conversation with a DNR regional forest manager on 2-24-2016 asking for confirmation of this pending swap was answered in the affirmative. When I asked why this pending transaction had not been made public on the posting places where it should be posted -- Business calendars, agency agenda, pending items, etc. the reply was: "It is on the Director's desk." I continue to ask; Why the secrecy?

This issue was raised with the DNR before. In a letter former Director Humphries wrote me and said I was right about these parties claiming mineral rights that are in fact owned by the SOM. But the very persons within the DNR charged with investigating these issues conveniently were the same persons that had a hand in allowing them to take place. Yet, even after that became known by the DNR they still protected their own along with the persons who made millions of dollars with the DNR shielding these persons from any actions, including prosecution, the SOM should have taken. Shielding of these persons includes persons within the DNR saying they had received a legal opinion regarding PA 154 of 1997 (amendment to PA 200 of 1945) and my claims were groundless. That information was given to the highest level of the DNR personnel and persons outside the DNR including me. But when this issue became more publically known and a copy of that legal opinion was requested via FOIA this so called legal opinion evaporated and when pushed this "legal opinion" was no longer an "opinion" and finally ended up as a "conversation in passing" with persons who were interns at the Michigan DOJ whose names could not be recalled.

Based on the close ties with the DNR no punishment was ever handed out to anyone. Instead a great deal of money gained from the sale(s) and/or leasing(s) of mineral rights was allowed to be kept while persons within the DNR sidetracked questions about the facts including the dissemination of misleading and false information provided to them by the perpetrators.

In nutshell – The Past:

Despite making tens of millions of dollars selling what the SOM owned the DNR allowed those persons, with whom they have relationships, to keep those millions of dollars.

Then the DNR traded very valuable land for almost nothing to persons with ties to these same persons and companies claiming and selling and/or leasing SOM Mineral Rights.

In nutshell – The Present:

Regardless of not prosecuting these persons; don't their actions speak to their lack of integrity? Despite all of this the SOM is still dealing with these persons? Certainly the public will ask why?

Despite the issues involving many millions of dollars described above, the DNR continues to enrich these persons? Presently there is a submission for a land swap between the DNR and persons affiliated with Aquila Resources. This land swap entails a trade of property in Lake Township, Menominee County, Michigan. **This information is not found on any SOM website nor is it listed in the Business Calendars or agendas for the DNR.** The land swap on the Directors desk is for land contiguous to the very valuable land the DNR traded prior for property worth only a few thousand dollars to a person whom the DNR knows had sold 40-acres in this same area for \$11.7MM.

The attached map highlighted in yellow is the land up for trade. **You should also note the proximity of the Menominee River, only a few feet away from an open pit mine that will use cyanide, creates acid as it is a sulfide based ore, liberates mercury, lead and other heavy metals and is in the same aquifer that Menominee and Marinette Counties use. I bet the Governor did not know how close this mine was to this Boundary water that flows into the Great Lakes– making this a national issue.**

This issue of mineral rights is tied to these same persons who are asking the SOM to trust them regarding a mine permit and to continue ignoring their prior actions even though they will create billions of dollars in contingent liabilities that are always associated with a mine of this type. Certainly in ignoring past illegal deeds demonstrates to the World the integrity, or lack thereof, the SOM requires when doing business with the State of Michigan. Do not forget that fraud is not a civil issue; it is a criminal issue.

There are enough issues involving the DNR that one can draw the conclusion that persons at the DNR have either had personal agendas and/or motivations outside the realm of the DNR charter and as stewards of the valuable mineral resources owned by the people of the State of Michigan. I ask: Were they directed to do so by persons higher up in the State Government?

Actions required by the SOM / DNR to salvage at least some credibility.

1. The SOM should *suspend* any land exchanges, permitting, renewal of leases, etc. until such time as a full and thorough investigation is conducted by an independent third party who is outside the DNR control or influence. I strongly suggest a citizen advisory board be part of this investigation process.
2. The actions the DNR have admitted to under former Director Rebeca Humphries and others in noting the 358 parcels (noted just in Menominee County alone) and the attached sheets obtained from the Michigan Attorney General which note: ***"Have no idea where VMS Development has basis for their claims"*** demonstrates that persons at Aquila Resources are not honest and as such places a cloud over any actions the SOM has with them. Until these issues are investigated any actions by the SOM related to mining in Menominee County involving these same persons should be viewed as not credible.

Most recently Governor Snyder stated: **"A state investigation has "uncovered" systemic failures at the Michigan DEQ". The fact is, bureaucrats created a culture that valued technical compliance over common sense - and the result was that lead was leaching into resident's water.** ----- Gentlemen, Bring common sense into the equation and make integrity and truth a requirement and part of any permitting process. The DEQ has said (Joe Maki) there are no provisions, even if the company commits a felony, to take that act into consideration if the permit is filled out and deemed technically compliant. Doesn't that statement reflect exactly what is being done in Menominee County with Aquila Resources? Taking technical compliance over the common sense and practical as well as legal and ethical? Shouldn't past and present legal and ethical behavior be part of the permitting process?

Thank you for your prompt attention to this dire matter and I look forward to your response

William O'Neill, Natural Resources Deputy Director
Michigan Department of Natural Resources
Executive Division
Constitution Hall at 525 West Allegan Street
Lansing MI 48909
July 19, 2016
CC: Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa St.
P.O. Box 30212
Lansing, MI 48909

Mr. William O'Neill, Natural Resources Deputy Director

I am in receipt of your letter dated June 21, 2016.

In reply to your letter; forgive my narrative and it is not my intention to perpetually argue this issue but I really don't know how to discuss the situation without being blunt. I again feel the DNR has purposely sidestepped and ignored addressing the main points I've made. Those points include the DNR allowing apparent fraud and completely ignoring the integrity of persons whom the DNR, for some unknown reason, continues to want to deal with?

As I wrote in the first letter I wrote to the DNR and Governor Snyder, the purpose of my writing was to inform / remind the DNR and Governor of this issue, so that some later date no one can plead they were unaware of what took place. I have now copied the Michigan Department of Attorney General onto this letter. I am sure with the AG's office now finding persons at the DEQ criminally negligent and the recent Judges decision that individual persons within the DEQ has some bearing on the issue of responsibility by persons with the SOM Government to be accountable for the reporting of issues that may be fraudulent.

In prior correspondence I noted a pending land swap that is listed by Aquila Resources in their Part 632 mining permit application and that I discussed this swap with DNR field personnel who in their words said; "It's on the Director's Desk". In a written response to that inquiry you replied stating there was no land transactions on the Director's desk related to Aquila Resources. Your most recent letter dated June 21st corrects the statement providing information that yes, a "current active" transaction does exist which was submitted by Northern Michigan Land Brokers on behalf of Aquila Resources.

It appears this newly disclosed transaction may be only one (1) forty-acre parcel distance away from land the DNR previously traded to Mr. Nick Thoney. That trade being a subject of prior correspondence. To again emphasize that previous trade, I have attached a recent aerial picture of that property. As you see this land has been clear cut. The timber taken was from older growth timber including some oak that had a value substantially higher than what the DNR received for the property. Despite being clear cut this property was part of a parcel recently sold to Aquila Resources for well over \$1MM dollars. At the time of the trade with Mr. Thoney the DNR ignored the fact that Mr. Thoney had already sold one (1) 40-acre parcel in this same area to Aquila Resources for \$11.7MM dollars. It seems everyone but the DNR knew the property the DNR traded with Mr. Thoney would end up at Aquila Resources and for a great deal more money than the DNR received for it? Both this newly noted "current active" Parcel you've identified as being up for swap, and the prior property the DNR traded with Mr. Thoney, are on the same page in the plat book. Your recent "current active" disclosure raises a new question? Why would the DNR allow a third party to acquire land via land swap on Aquila Resources behalf rather than have Aquila Resources submit the land swap transaction papers directly? To date there have been at least 25-LLC's and corporations affiliated with Aquila Resources. The majorities of these are / were owned and/or controlled by the same persons at Aquila Resources.

Just to make sure we don't head down the same path as before; in a prior letter you felt I had implied the mineral rights in question actually changed hands. Both the DNR and I know that is not the case as the claims made against the mineral estates were bogus / false. I have, and will continue to argue, that this issue appears to have all the merits of being fraud. The legal definition I found for fraud defines fraud: "When a wrongful or criminal deception results in financial or personal gain". In this case many millions of dollars were gained and the DNR knows:

1. Documents were created that certain parties portrayed as being Legal Documents, including Deeds that claimed a fee estate for minerals and they stated gave them the RIGHT TO USE THESE PROPERTIES for ANY MINING RELATED ACTIVITIES even if those properties were not being actively mined. And, many of these documents were in fact notarized, then recorded with the Register of Deeds against certain properties including tens of thousands of acres of property for which the DNR claims to be under their stewardship.

2. That these DEEDS and other documents stated parties other than the true owner owned mineral & land use rights and those invalid claims and false documents were used to sell and/or lease mineral and land use rights that were not legally theirs to sell and or lease resulting in persons the DNR still deals with in gaining

millions of dollars.

3. And, not once has the DNR addressed that the SOM does not own the surface, but has claimed the mineral estate to many of the properties claimed by these persons. These false claims, and in many cases recorded notarized DEEDS, were used to make millions of dollars by selling and/or leasing via the use of apparent fraudulent documents to companies outside the United States for millions of dollars. Where private property was involved these alleged rights were used to mislead and as proof the claimants had the right to enter upon and explore properties at any time? Shouldn't that be considered trespass and does the DNR in not acting setting a precedent where every other claim made by the DNR for any severed interests can be contested in a court of law?

4. I allege that this may not just be fraud against the SOM but private land owners as well. And, you should investigate if monies, contracts and correspondence were sent via US Mail and or wire (Internet) shouldn't this issue also be investigated to see if it wasn't Mail and Wire fraud - which are federal crimes? Some of this issue occurred in Canada which I believe would also make this issue subject to certain portions of NAFTA law?

There continues to be major overlying theme to this issue: The DNR knows they are dealing with persons that may have committed fraud against thousands of land owners including the PEOPLE OF THE STATE OF MICHIGAN. The claims they made weren't just a casual occurrence but were done by a group of persons that created, then recorded DEEDS, notarizing some and then passing those documents off as being valid legal documents which claimed a fee estates and created liens against properties that they said gave them the legal and lawful right to sell, lease and transfer tens of thousands of acres of mineral interests. And, despite not really owning those mineral interests these "legal and lawful" documents were used as evidence of ownership while they engaged in selling and or leasing these bogus / false claims for millions of dollars. All of this the DNR knew this was happening at the time it happened! And, despite persons knowing their actions were not legal they continued with their actions over a period of many years.

Tragically the DNR did not just play a passive role in this but proactively protected these persons in dealings with the public even attending meetings specific to mineral rights claims and allowing their comments to be used by the claimants as further proof they owned what they claimed but which the DNR now admits they did not. We all agree don't we that the Michigan AG investigation into claims made by these persons by examining title proved that at minimum at least 38,000 acres of the minerals rights in Menominee County alone (not counting the many more these parties claimed in Marquette, Delta, Houghton Counties, etc.) were in fact owned by the SOM and not parties that made millions of dollars claiming they owned them. It is a fact the DNR did not act on a timely basis and has allowed and continues to allow these parties, who appear to have personal relationships with the DNR, to make millions of dollars?

(1-a) Quit Claim Deeds from American Copper & Nickel aka AC&N whom said they bought these same properties mineral rights from Menominee River Exploration Co. aka MREC (now known as Aquila Resources). These deeds to AC&N were part of a \$4.9MM transaction between AC&N and MREC.

1-a

Summary:

The DNR knows all of this, but for some undisclosed and yet unknown reason is still engaged with these persons in a possible land swap? It boils down to this and it did with the Flint issue: How then can the people of the great State of Michigan trust anyone at the DNR and the SOM to be honest and objectively administer a land swap, mining permit and perhaps a mine when they ignore these issues as they have?

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CC:

DNR Director Bill Moritz
Michigan Department of Natural Resources

Executive Division
Constitution Hall at 525 West Allegan Street
Lansing MI 48909

Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa St.
P.O. Box 30212
Lansing, MI 48909

On Wed, Oct 5, 2016 at 10:13 AM, (b)(6)(b)(6)(b)(6)(b)(6)(b)(6)(b)(6) wrote:

Hi Dave,

Thanks for the note on the mining regulations. Am aware of them and have read Part 632.

My concern, and the concern of many, many others is that it appears that the MDEQ will likely issue all the necessary mine permits without considering what residents and visitors are saying.

For example, Save the Wild UP (SWUP) recently published an article that showed that 98% of the 2,000+ comments sent to the MDEQ stated opposition to this mine. Here's the link to the SWUP article.
<http://savethewildup.org/2016/07/public-comments-to-mdeq-98-opposed-to-aquila-back-forty/>

Based on the number of people stating their opposition to the mine the MDEQ should deny the requested mine permit now.

I will be attending/participating in the October 6th Public Hearing to express my opposition to this mine. Will you be there? You should. This would enable you to hear the comments expressed by everyone. Then you could report to Governor Snyder about the problems this mine will create and explain to him that this mine doesn't belong on the shoreline of the Menominee River. And, the mine permit application should be denied.

At this Public Hearing I will be delivering letters of opposition to the Back Forty Project from the Northern Illinois Fly Tyers, Dupage Rivers Fly Tyers, Gary Borger Trout Unlimited Chapter, Wisconsin Smallmouth Alliance, the Badger Fly Fishers, and the River Alliance of Wisconsin. Members from these groups spend time on the Menominee River and in the general area fishing, boating, camping, hiking, etc. They represent more than 700 outdoor enthusiasts that appreciate the clean unpolluted water the Menominee River now has.

In addition, everyone is afraid that the MDEQ is proceeding like it did on the Flint Water Crisis and is simply filling in the blanks on a checklist and not really looking at the real environmental facts. And, in some instances, it appears that the MDEQ might even be coaching Aquila Resources on how to satisfy the requirements of Part 632 in its mine permit application. For example, after reviewing the mine permit application, the MDEQ responded to Aquila with a list of nearly 200 questions/issues they had about the application. Based on the length of this list Aquila should have failed the test and the permit denied. But, the MDEQ gave them the answers to the questions that Aquila should have known and provided with the application.

After Governor Snyder recognized the extent of the Flint Water Crisis he told the Detroit Free Press that the MDEQ's culture needed to be changed to focus on protecting the population versus filling in the blanks on forms and always supporting the requests of businesses. Has this culture change been started? This change is necessary if the public's comments and concerns on the Back Forty mine are to be considered in the mine permit application.

This mine site includes a substantial wetlands area. The MDEQ is in private/secret discussions with Aquila on how to solve problems/issues with these wetlands expressed by the EPA and FWS (U.S.Fish and Wildlife Service). Again more coaching and instructions on how to satisfy the State's requirements. The public hasn't been invited to this discussion.

My understanding of one of the wetlands issues is that ownership of about 400+ acres of wetlands on the proposed mine site will be traded for a wetlands area elsewhere. The wetlands on the mine site will be destroyed to accommodate the mining operation. This means that Michigan and the world will lose 400+ acres of important wetlands. Not good for the Midwest's environment.

Dave I've attached the letters mentioned above and another item that provides links to numerous sources that state opposition to the Back Forty mine.

Hope to see you at tomorrow's Public Hearing.

Thanks,

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----- Original Message -----

From: Nyberg, David (GOV)

To: (b)(6)(b)(6)

Cc: (b)(6); Cleary, Peggy (GOV)

Sent: Wednesday, October 05, 2016 8:59 AM

Subject: RE: Aquila Resources and the Menominee River

Good morning, (b)(6)(b)(6)

Thank you very much for your outreach.

As you may know, Aquila Resource's proposed "Back Forty" project is subject (among other things) to the issuance of a mining permit under Michigan's nonferrous metallic mineral mining regulations, codified under [Part 632 of the Michigan Natural Resources and Environmental Protection Act \("Part 632"\)](#). Part 632 covers a number of issues related to mining and environmental stewardship, including the transportation, storage, treatment, and disposal of ore, waste rock, and other materials. The regulations also require an Environmental Impact Assessment that describes baseline conditions, expected impacts to the mined area and affected surrounding areas, and alternative approaches. Importantly, this regulation also requires a detailed plan for mining and reclamation. Upon completion of the project, Part 632 requires reclamation of the mine site to a self-sustaining ecosystem that does not require perpetual care, along with post-closure water quality monitoring. Additionally, as you mentioned, Part 632 also requires adequate financial assurance throughout the mining operation and post-closure monitoring period, including costs for state monitoring and necessary reclamation and/or remediation measures. Part 632 also contains detailed reporting requirements and an extensive public input process. Above all, a Part 632 permit can only be granted if the applicant demonstrates that the mining operation will not pollute, impair, or destroy the air, water, or other natural resources of the public trust in those resources.

You may be familiar, but by way of additional background, "Part 632" was enacted in 2006 through an extensive public engagement process that included the consensus support of environmental and conservation organizations. It is now considered by many to be a model for environmental stewardship in modern mining.

As you know, the Michigan Department of Environmental Quality (MDEQ) is the statutory authority under Part 632 and other associated permits required for Aquila Resource's proposed Back Forty project. MDEQ is currently conducting a consolidated public comment period on its proposed decision to grant a permit through November 3, 2016. The DEQ is hosting a public hearing tomorrow, October 6, 2016, from 6:00 p.m. to 10:00 p.m. CST at the Stephenson High School gymnasium, of which I'm sure you are aware. DEQ will accept written comments on the proposed decision until 5:00 p.m. EDT on November 3, 2016. More information on the public comment process and how you may submit comments may be found here: http://www.michigan.gov/documents/deq/deq-oogm-mining-Overarching-BackForty_533644_7.pdf

Thank you again for your email.

Best,

Dave

From: (b)(6)(b)(6)(b)(6)(b)(6)(b)(6)(b)(6)

Sent: Tuesday, September 06, 2016 11:33 AM

To: Nyberg, David (GOV) <nybergd@michigan.gov>

Cc: (b)(6)(b)(6)(b)(6)(b)(6)(b)(6)

Subject: Aquila Resources and the Menominee River

Hi Mr. Nyberg,

Last week the Michigan DEQ issued a draft permit to Aquila Resources for their proposed sulfide mine in Lake Township, Menominee County. Reportedly a decision on the permit (approve or deny) is scheduled to be finalized by early December, 2016.

As a Menominee River fisherman I am concerned that the approval of this mine permit and the creation of this mine would damage or destroy some of the greatest smallmouth bass fishing in the Midwest. So I'm asking for your help in getting the State of Michigan to "deny" this mine permit.

The development of this mine would be a disaster for the Menominee River downstream of the the mine and the surrounding area. The nearby residents on the Michigan and Wisconsin sides of the Menominee River would be punished by the affects of the mining process. The noise from continuous blasting and operation of heavy equipment would spoil the ideal environment they and fishermen like myself now enjoy. In addition to the noise there would be dirty air and polluted water flowing into the river from the mine site. The polluted water would flow all the way to Lake Michigan. This pollution would destroy the great bass fishing the river provides and harm the lake sturgeon renewal program that's been underway for several years. The lake sturgeon program cost was \$6,000,000.

And as a reminder, there has **NEVER** been a sulfide mine that hasn't polluted nearby waterways.

Of the more than 2,000 comments/signatures sent to the MDEQ show that 98.2% of them oppose this mine. Very few comments were in favor of the mine. Am guessing the favorable comments were from the mining company employees and their vendors. This shows that the public doesn't want this mine to be created.

Environmental protection guarantees that Aquila Resources is supposed to provide probably won't be adequate to clean up the mess they'll create and likely leave behind. You and I and other taxpayers will be paying for this cleanup forever. Examples of the high cost of clean up are in the recent environmental disasters caused by mining companies in Brazil, British Columbia, and the EPS's disaster in Colorado. It costs billions of dollars to clean up these man made problems that could easily be prevented by not allowing mines to be created near clean water sources. In addition many rivers and areas in western states continuously suffer from mine pollution problems created by mines that are operational or closed. The cost benefit of Aquila's proposed mine doesn't make economic sense when the inherent risks are considered. One mistake by a disgruntled employee would destroy the river and surrounding environment.

Another example of the poor performance of mining companies was contained in a recent article in the Chicago Tribune. The article discussed coal mines in Indiana and how the mining companies that guaranteed to clean up pollution problems they created have filed bankruptcy and will now only be paying for a token amount of the clean up costs. The State of Indiana and lots of taxpayers will be paying for 85% + of the clean up costs. Not good.

On Sunday, September 4, 2016 a friend and I fished the 60 Islands area of the Menominee River. We launched at the White Rapids Dam and drifted downstream to the area near the mouth of the Pike River. This is where the proposed mine would be located. The setting is beautiful, quiet, peaceful, inviting and really enjoyable. I don't understand why the State of Michigan, that advertises "Pure Michigan" would consider allowing a sulfide mine to be created next to the Menominee River.

What can you and I and others do to prevent this mine from being created? We need your help.

P.S. (b)(6) provided me your contact information that's why he was copied on this note.

Thanks,

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Thank you,

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